
L. R. B. & M. JOURNAL

VOLUME 2

NUMBER 5

MAY, 1921

Published by
LYBRAND, ROSS BROS. & MONTGOMERY
Accountants and Auditors

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"For a Century the National Timekeeper"

BY N. B. BERGMAN

(New York Office)

The above slogan of Seth Thomas Clock Co. is known all over the United States and the clocks also make themselves "heard" in foreign countries. As Emerson said, "a great institution is the lengthened shadow of one man"

spent in Plymouth Hollow; his business founded a year after this country finally achieved a definite place among the nations of the world, it is fitting that the great Centennial clock in Independence Hall, Philadelphia



The Clock in the Belfry of Independence Hall in Philadelphia is a Seth Thomas Clock

and Seth Thomas Clock Co. has grown to its present proportions upon the solid foundation laid by Seth Thomas in 1813.

Born in the years of this great country's infancy; his early years

should have been a product of that business which he founded in those trying times.

It has been said by one of America's great writers that "if a man make a better mouse-trap than his

neighbor, the world will make a beaten path to his door." If we substitute the word clock for mouse-trap, we find that this is metaphorically true of this man: indeed, it may be that this was literally true in the early years of the business, the neighbors probably making a great ceremony of calling upon Mr. Thomas for his clocks. In those days, too, there must have been romance in producing a clock, and it is doubtful whether daylight saving would have appealed to those skilled workmen, to whom the time was something more than "the interval between two consecutive crossings of a meridian."

Seth Thomas, the founder of the business, was born in Wolcott, Conn., May 19th, 1785 and died at Plymouth Hollow, Conn. in 1859. The name of Plymouth Hollow was subsequently changed by act of Legislature to Thomaston, that is, after Mr. Thomas' death. About the year 1808 Seth Thomas was associated with Eli Terry, who was then the leading clock-maker in Connecticut. For several years Seth Thomas was foreman of the case shop of the Terry factory at Plymouth. About the year 1809 the firm of Terry, Thomas & Hoadley was formed and lasted about a year. Then Terry sold his interest in the firm and for two years Seth Thomas and Hoadley manufactured clocks in Plymouth. In 1812 Mr. Thomas retired from the firm and removed his business to Plymouth Hollow, which was then part of the town of Plymouth. In 1813 he purchased the site where the present factory now stands, and began the manufacture of clocks on his own account.

Prior to his death, and in the year 1853, Seth Thomas incorporated the business under the name of Seth Thomas Clock Company and the business has been conducted by that corporation ever since. Since the death of the original Seth Thomas the industry has been broadened in

various directions, taking on the making of Tower Clocks and Watches, this latter branch having been recently discontinued.

The descendants of the original Seth Thomas have succeeded in the management of the business. The president of the company at this time who succeeded his father and grandfather in turn, is the great grandson of the founder of the business.

It is stated that the earliest historical mention of clocks is made in the 15th Century. It was not until the 17th Century, however, that any great advance was made and that was when Galileo discovered the value of the pendulum. It seems to be an echo of the past when we learn that wooden movements were used in clocks up to 1840. First, the movements were constructed of wood and in the better clocks the pendulum was of wood overlaid with gold leaf. One wonders how they could have operated when the definition of a clock is considered, "a train of wheels actuated by a spring or weight and provided with a governing device which so regulates the speed as to render it uniform." The records inform us that the invention of a reliable but cheap steel spring, which could be placed in the least expensive clocks, is due to American enterprise and its introduction has revolutionized the clock-making industry. Besides the Centennial clock in Philadelphia, referred to previously, the Seth Thomas Clock Co. has constructed some others of the most famous clocks in this country. A few of these best known to the public may be mentioned:

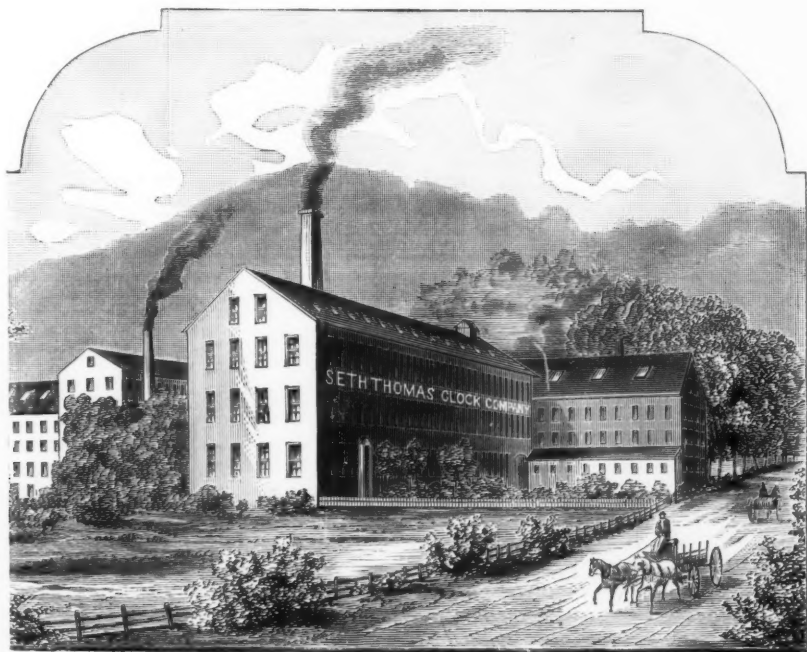
Dearborn Street Station, Chicago, Ill.: This clock is doubtless a familiar sight to the ambitious members of the staff of the firm's Chicago office, who, wending their way to the day's work, feel a personal interest in knowing just how much they are ahead of time. This clock has probably afforded much interest also to New Yorkers who are

planning just how soon they can get away from the windy city back to civilization.

Elgin National Watch Company, Elgin, Ill.: The clock in the tower of this company's plant was made by Seth Thomas Clock Company. It is a tribute that is so eloquent as to admit of no more mention than the

"watch" over its activities, except that in this case the object is to prevent ills.

Daniels and Fisher Stores Co., Denver, Colorado: This concern is a client of our firm. It is fitting that they should have a clock high above the crowds—about 300 feet—giving the world the correct time. The clock



A Partial View of the Seth Thomas Factory at Thomaston, Conn., as it Appeared Some Years Ago Before the Addition of the Buildings Were Recently Erected. The Portion of the Building on the Extreme Right is the Original Factory

statement of the fact. It is like "taking coals to Newcastle" or shipping spaghetti to Italy—both of which have been done in the past few years. Just as a physician will call upon a professional brother for aid rather than treat his own ills, so it may be that the Elgin company prefers to have the clock of a commercial brother keep

was made by Seth Thomas Clock Co. The clock is so high that the men on the audit, industriously intent upon doing all the work possible, cannot find time to refer to it as it requires two distinct upward movements of the head to see it!

The Colgate Clock, Jersey City, N. J.: While it probably would not be of

sufficient interest to go into minute details regarding the mechanism of all of these clocks, a description of the Colgate clock should be of interest when we consider that it is the largest clock in the world. To the Jersey commuters and those other unfortunates who find it desirable to live beyond the pale of civilization, the large brilliant face of the Colgate clock must have become an institution.

The dial of this clock is 38 feet across—the total area 1,134 square feet. The minute hand is 20 feet in length which with its counterpoise weighs nearly one-third of a ton. The mechanism is moved by a weight of 2,000 pounds and the whole clock weighs approximately six tons. The hands are outlined with incandescent lights; brilliant red lights mark each numeral and an incandescent lamp minute mark, the latter being spaced 24 inches apart. The face is of skeleton form as so large a surface could not be exposed to the action of the wind. The tip end of the minute hand travels 24 inches every minute or over half a mile a day and the control mechanism is so regulated that the clock is maintained at a high degree of accuracy.

Just what was the cost of the Colgate clock is not recorded. It is of interest, however, to compare the cost of a large clock in the olden days with even a conservative estimate of the cost of the Colgate clock. We are informed that "in 1698 the dean and chapter of St. Paul's Cathedral paid the then very substantial price of £14 for an inlaid walnut long-cased 8-day clock to stand in one of the vestries." We wonder what the rate of Sterling exchange was at that time?

It may not be amiss to mention that the alarm clock is an old institution and not, as is popularly believed, an invention designed for the especial use of accountants who may be prone to lie abed late after a strenuous session at the office. The alarm clock was

first adopted for the use of the priesthood to arouse them to their morning devotions.

The following extracts from "The Centennial Book," issued by the Seth Thomas Clock Co. in 1913 on the one hundredth anniversary of the founding of the business, indicate that the ideals of the founder of the business have borne fruit:

"Seth Thomas Clocks are friendly, reliable counselors that mark the passing hours with unwavering precision. For generations their accuracy has been the incentive to promptness of innumerable thousands.

"Their companionable cheery tick, their refined beauty of design, together with their unfailing accuracy are constant reminders . . .

"As accurate recorders of time, as enduring articles of honorable workmanship . . .

"Seth Thomas clocks are fashioned to withstand the varying influences of all climes and all services.

"They are cheerful, untiring workers, truthful in their time-telling, faithful in their life long service.

"One hundred years have proven the masterly perfection of these clocks. True in adjustment, accurate in balance, perfect in workmanship, they give permanent and faultless satisfaction.

"The unerring accuracy of the great tower clocks we accept without question. Daily we order our lives by these mammoth indications of time. Our faith in their dependability is ingrained. A large percentage of the tower clocks are Seth Thomas made.

"The century just completed has proved remarkably fruitful, in progress, in growth in the establishment of an enviable reputation for business integrity."

Salary—something paid to you for what you do.

Income—something paid to you for what your father did.—*Life*.

Income In Kind

BY ASHLEY STERNE

Reprinted from "The Passing Show" (London)

I've just paid my income tax—a trifle late, I admit, but that was due to a wangle I suddenly thought of. It was inconvenient for me to pay it on demand; or, rather, it was frankly impossible. My dear old pal Attenborough simply pooh-poohed the idea of a second mortgage debenture on my furlined overcoat, and so I sent a note to the tax-gatherer:

"Dear Old Tin of Fruit,—*Re* assessment No. 9187, enclosed. Oughtn't this to be a bob more?—Your affectionate tax-payer, VERNON BACKLASH."

You perceive the artfulness of this? If I had suggested that I had been overcharged, they would have come down on me like a wolf on the fold by return of post. By insinuating that I had been undercharged I felt sure that Austen would get the wind up (thus affording me an opportunity to raise some on my own account) and cast up my account in the ledger again to assure himself that he hadn't made a mistake in the pounds column too.

A complicated mathematical calculation involving a knowledge of compound arithmetic takes time in a Government office, and—as I expected—I heard nothing for weeks and weeks. I remember I had to have my hair cut twice while waiting. By the time the demand note again reached me (with a polite note thanking me for my *esprit de corps*, and stating that the assessment had been carefully checked by logarithms and found to be correct) my financial position had rallied. My fur coat was once again hanging in the hall where visitors could see it. I was once again having food with my meals. The gas-meter had been replaced. Water again flowed from the main. The broker's man had returned to the Stock Exchange.

But I realize that this wangle can't be worked again. Once made known, its popularity will kill it. Therefore, for the ensuing year, I have devised a new one. With a little co-operation from the various editors whom I supply with the literary masterpieces which leak in such relentless profusion from my fountain-pen, I design to have no taxable income at all.

The idea came to me through a medicine-man of my acquaintance who practices in the country. He attends the family of a farmer, but his bills are not settled in cash. The farmer pays them in kind—butter, milk, cream, eggs, chickens, and so forth—an arrangement which suits them both admirably.

My friend's point is that he can't return farm produce as income. The thing's absurd. Just imagine it. Try this over on your piano, and see how it sounds:

"Estimated Income for the Financial Year 1921-1922: £547 2s, 3d.—190 quarts of milk, 700 eggs, half a sheep, two dozen brace of mixed poultry, and 3 gallons of junket."

Even were such a return permissible, there would certainly be endless trouble over the abatements. The tax-people might want to settle for child allowance in junket, or for life insurance in spring chickens—a hopeless confusion. You can see for yourself that such a return is not feasible. Besides, it isn't allowed for on the form.

Now, my scheme is to extend this principle so that I receive payment in kind for what would otherwise rank as taxable income. I shall arrange with all editors and publishers with whom I deal to send me goods in lieu of cheques according to a pre-arranged schedule; and for the guidance of

others of my profession who may also wish to adopt my method, I append a few specimen letters such as I confidently expect will pass through my hands during the next twelve months:

"The Editor of the *Times* has much pleasure in returning Mr. Vernon Backlash's MS. as usual."

(This, of course, has no precise bearing on the case in point. I merely mention it for completeness' sake.)

"The Editor of the *Passing Show* is pleased to accept Mr. Backlash's poem on 'Spring,' and encloses a pound of sausages, a tin of peaches, and a packet of gaspers in payment therefor."

"Dear Mr. Backlash,—We are delighted to take your excellently reasoned article, 'Should Policemen Per-spire?' and would be glad to know whether a Mallaby Deeley suit or a couple of *Daily Mail* hats would prove acceptable remuneration for you.—We are yours faithfully, FARQUHAR-SON BINGE, Editor of *Eyewash*."

"Dear Mr. Binge,—Thank you for your kind and generous offer. As, however, I am fairly well off for clothes at the moment, could you conveniently arrange to have the scullery sink mended and the piano tuned instead?—Truly yours, VERNON BACKLASH."

Credits and Collections

Extract from SYSTEM for April, 1921

"This man is rated at a million. He ought to be good for anything that we sell to him."

Yes—he should. But I happen to know of a concern in the Middle West with assets of \$8,000,000 and liabilities of only \$1,000,000 that cannot pay a dollar, for the time being, on its current liabilities. Its \$8,000,000 in assets are locked up in bricks, mortar, machinery, and finished products. It was running along without much regard for keeping itself liquid when it was caught by the cancelation of orders. Money had been coming in and going out so fast that the proprietors forgot all about the fact that although a surplus is a splendid item to have in any event, it is not of much use in an emergency unless a fair portion of it can quickly be converted into cash.

As a credit granter, as I have said, it does not do one much good to know what a man is worth unless one also knows how he is worth it. The start toward knowing the how is the financial statement. Character is, of course, the foundation of credit. The financial statement of itself is hardly

enough, but the financial statement does explain how that character is being taken into business—whether knowledge as well as character is being used in the conduct of affairs.

This exhibition has to come through the financial statement. It is not enough to think of trade as being good or trade as being bad. We have to know what that trade is. Is it sound trade or is it a temperamental exhibition? Are we merely shifting clogged inventories or are we actually selling? One can make a better looking statement by selling off his stock on loose credits. For the time being it will seem that he has liquidated his inventories—but he may only have exchanged the inventory for a list of claims. On the other hand conditions with a particular concern or locality may be such that a larger measure of credit license is good business. But no one can tell what is good and what is bad without the facts, and the starting point to get at the facts is the statement of condition. Then there is something concrete to go on.

A Journey to the Roof of the World

BY CARL T. KELLER

(*Manager, Boston Office*)

Having read Col. Montgomery's "description" of Paris and its pleasures, I naturally approach the topic of a trip to the Pacific Coast with quite an unwonted amount of modesty. I assure you, there is nothing whatever in the trip from Santa Barbara, California, to the headwaters of the Yukon which in any way could recall the plentiful pleasures of Paris.

So, slightly abashed, but in nowise discouraged, I obey Editor Staub's mandate and will describe what to me was one of the most enjoyable events in my life.

It all arose from the fortunate decision of one of our best clients that I was the man to go to Portland, Oregon, to supervise the absorption of a jobbing house. I think the client's judgment was perfect!

Of course, we (the wee wife and I) went via Chicago, because that is one of the disagreeable necessities* of getting to the northwest! From there we went over the Chicago, Milwaukee and Puget Sound to Seattle. I took this road as I was very desirous of experiencing the novelty of electrification for several hundred miles. I believe that the total at this time is about 800 miles and it makes such a trip a joy, as the trains start with great smoothness and, in running down the steep grades, the motors are turned into synchronized dynamos which hold the train back without the excessive use of brakes, just as an automobile operates when you run downhill on low speed.

I had heard in the East all kinds of fantastic tales as to the amount of current put back onto the wires by this method, one of the "droll stories" being that the power company, at the

end of a month, had owed the railroad money, the theory apparently being that you generated more power running down hill than you consumed in going up! I afterwards learned from the Stone & Webster people in Seattle that the amount thus regenerated was less than 15 per cent and that the chief saving was on brake shoes, wheels and rails.

Most everybody who has been through the barren northwest (I personally was born out in that region) can find very little to write about in the hundreds of miles of brown and dusty landscapes.

In western Montana, Idaho and western Washington, we saw many forest fires, those beacon lights of American waste and incompetency. The only drawback to our whole trip was that we happened to be on the coast during the season when our fellow Americans were amusing themselves by burning up an unusually large amount of irreplaceable timber.

Seattle, where we now, happily, have an office, is built mostly up and down with the main streets running around the hills, like terraces. The town was once a good deal higher than it is now, but some "wise guy," presumably an old hydraulic miner, came along and washed off two of the principal hills, so that the roof of the New Washington, the principal hotel, is now where the old foundations used to be and something like five million cubic yards of Beacon Hill—Oh! sacred name—Oh! horrid fate!—were washed down into the flats and now make the railroad yards and a large part of the manufacturing section of the city.

The waters surrounding Seattle would be insulted by an eulogium from me! Suffice it to say that the scenery

*Chicago office not included.

which begins at Tacoma and runs something over a thousand miles north is to my mind unapproachable on earth. We caught a few glimpses of Mount Rainier, the prize package mountain of the United States. When I first saw it, looming up above a cloud, I thought it must be at least one million feet high; it turned out to be less! And it was some sugar cone, too, believe me, with its pointed summit covered with snow and glaciers. Later we went up by automobile over the splendid Government road to the attractive Paradise Inn, 5,500 feet up on the mountain's flank. Thence, bedizened, as you will note, we climbed glaciers and slid down snow banks. We capped it all by walking down through the marvellous forest of giant trees.

Portland, Oregon, where I spent two weeks, is the most attractive city that I have seen in the West and one of the most attractive that I know of anywhere. It was settled by New Englanders, so its attractiveness is easily understood and the fact that its location is perfect is due, of course, to that same happy origin! It is worthy of notice, but not of surprise, how generally New Englanders, and particularly Bostonians, are right!

We next went south to San Francisco and if the infernal regions are any hotter than the combination of sun and forest fires made the Sacramento Valley, I certainly prefer my present terrestrial surroundings.

Mount Shasta remained in sight for practically a whole day until my traveling companion became so exasperated with constantly approaching and leaving it that she dubbed it Mount Shyster.

From San Francisco we motored 360 miles south to Santa Barbara over the fine roads which characterize parts of California and through as perfect deserts and as fine fruitlands as one would wish to see. After a few days in this loafers' Paradise, where the sea nymphs certainly made us both open

(and avert) our eyes, we turned north again, stopping a few days at Monterey and then going straight back to Seattle, via Tacoma and Mount Rainier.

One of the most noticeable characteristics of the Pacific Coast is that it is extremely cool, too cool in fact, during the entire summer.

We next went to Victoria, that delightful little town in British Columbia, which is far more English than Oxford, and thence to Vancouver, which is the Canadian replica of a busy American town, the only attraction of which is the fine park containing some beautiful trees of tremendous size. Here we took the Canadian Pacific steamer, the "Princess Alice" (by the way, our western friends advised us never to go on an American boat, as they were poor in every way). The "Princess Alice" was all that anybody could desire and for nearly a thousand miles we wended our way north through extraordinary channels, with mountains, sometimes little ones, sometimes huge ones, covered with timber and snow and glaciers and all practically unspoiled by man.

The boat stopped once or twice a day, at quaint little settlements, where we went ashore and did the "lions." The first stop was at Alert Bay, British Columbia, where practically the entire population is made up of Indians, engaged in salmon and halibut fisheries. The totem poles, which are veritable family trees, are extremely fine in this attractive little settlement.

The Indians of this northwest country are not exactly like our States Indians, as they are, apparently, capable of a much higher development and actually run important enterprises themselves. If you can buy anything of an Indian for less than it is worth, you are entitled to be decorated as the equal of a combination of a Yankee, a Jew, an Armenian and a Greek.

I naturally pretend, living in Bos-

ton, to be a great reader of books and so supplied myself plentifully with erudite tomes, but I found it impossible to read. I would install myself comfortably on the boat-deck and stay from early morning (that is, *fairly* early morning) until late at night (it did not grow dark until after ten o'clock) enjoying this perfect and novel experience.

One night, it was the full of the moon, the wee wife and I sat on the stairs of the bridge and watched the boat plough its way through what seemed to be a narrow lake, towards what appeared to be certain trouble in the shape of a large and overgrown mountain. Just when, in the moonlight, it seemed certain that something was going to happen, we turned abruptly to port and there opened out another narrow channel. This kind of experience continued until we went below just before the sun came above! These extraordinary sea "rivers" appear to have been made by the sea encroaching on the valleys and open places of submerging portions of our continent.

Just before going through the straits at Petersburg, we were held up a little and lost the tide. As the straits are approximately only a quarter of a mile across, it is impossible to make the run except on the slack of the water or with the favoring tide. This delay turned out to be extremely fortunate as it was daylight when we went through the narrow gut and, at the northern end of it, we came across our first pieces of glacial ice, of blues and greens, which it seemed impossible to believe were not artificial. We also got a wonderful view of the great range of snow and glacier-covered mountains known as the Devil's Thumb. If the rest of the devil be as grim as his thumb, I believe that I have lost yet further interest in him!

After Alert Bay we stopped at that boom town, Prince Rupert, at the head of a wonderful harbor, picked out

—as you may remember—by the officials as the terminus of the Grand Trunk Pacific. As usually happens, people rushed in, bought corner lots at fabulous prices, built forty or fifty hotels and then the people and the prices faded. The Grand Trunk runs a line of steamers from this port, but it is very evident that it has been built many many years in advance of the need.

Our next stop was at Wrangel, which was the first American settlement in Alaska. The United States used to have a fort here and it was from this old fort that John Muir made his famous trips up the Stikine River and up the coast where he discovered and explored most daringly the huge glacier, afterwards called the Muir Glacier, whose surface is greater than the entire ice surface of Switzerland.

So we journeyed along through scenery which, though grand, never became overwhelming or monotonous and finally turned off into a great bowl-like basin, surrounded by black, desolate cliffs many hundreds of feet in height. The further in we went the colder it became. Finally we found the reason when we steamed up to the very snout of the great Taku Glacier.

It is quite beyond me to add anything to the descriptions of other famous naturalists and travelers and so I advise you all to go and see it. After we had wondered, shiveringly, at the frozen marvel, a few blasts of the whistle made some of the great pinnacles fall into the sea and thus were little icebergs born amidst a most terrific rumpus. We frantically (and futilely) kodaked all of the films that we could get into our camera and then went on to Juneau, which has replaced Sitka as the capital of Alaska. Like most of the other towns we saw, it is located at the foot of a mountain and the streets are mostly built on piles out over the water. This immediate section is the home of the great Tread-

well Mines and also of the Alaska Gold Mining Company. I climbed about 5,002 steps up to the top of one of the great concentrating mills where little electric-drawn trains of so-called "ore" came to the concentrating mill through a long tunnel which entirely pierced the mountain. These trains were run into tubes open on the top, the cars were clamped in some way or another, the whole contraption revolved and the ore was dumped into the pockets. Aside from the fact that the ore is crushed in great revolving ball mills, I intend to go no further into the technical details than to say that there is approximately a dollar's worth of gold in each ton of ore! Not enough money! It doesn't pay!

We left Juneau for Skagway, at the end of the great Lynn Canal and the head of navigation in this section. On our way we passed the masts of the Princess Sophia, which ran on a rock in a terrible gale in October, 1918, and was lost with every soul aboard, about 350, I believe, many of whom were soldiers returning from their tour of duty on the lower Yukon. Lynn Canal is, I should say, about 125 miles long, somewhere between three and five miles wide with mountains from five to seven thousand feet high rising abruptly on each side, all draped in glaciers, waterfalls and forests in superperfusion and confusion.

Skagway is as queer as its name, as it is built on a flat and if you arrive at low tide, you are reminded of the Bay of Fundy, as the tide runs about twenty-five feet and the piers, mostly fallen in, stalk across the flats like multiplied daddy-long-legs. The "city" now claims eight hundred people where once it boasted twenty thousand. It certainly gives one an eerie feeling to walk through streets where the great majority of the buildings are entirely empty and the broad, straight streets are deserted. The narrow gauge railroad, which runs along Broadway from Fifth Avenue, is the

cause of the decay of this little town which had been the great outfitting point for the Yukon. Of course we hopped the train and went up across the famous White Pass where, in '98 a multitude of men died. Unless you have traveled wide and visited somber portions of the earth's surface it would be difficult for you to get an idea of this pass. The little track along which the adventurers journeyed seemed in many places to be not over two feet wide and there were gulches along which I am perfectly certain I would have gone on my hands and knees.

The genial and talkative brakeman pointed out to me a broken bridge and a piece of a log hut which seemed to be some ten or fifteen thousand feet below the train! Those relics, he told me, were all that was left of White City, which at its period of greatest affluence, claimed six thousand people, all living under canvas.

We had our lunch at a railroad station at the head of Lake Bennett, along which the early voyagers in the spring used to sail on their sledges. This was truly the wild northwest for the stew was made of moose meat and we had bear and caribou.

We got off the train at a little station called Caribou or Carcross and while waiting for the boat, visited a black fox farm. I could not see that the odor of a black fox is any different from that of a red, but the fox was certainly prettier. We finally climbed on to a four-story affair that was the exact image of an old Mississippi boat and on this we spent the next twenty-four hours, wandering over a few hundred miles of long, narrow lakes, linked together like sausages. At the far end of our trip the captain butted the boat's nose into the bank, tied her to a tree and we all went to sleep on the roof of the world. The next morning, about five o'clock, I put a blue and frozen nose out of the cabin

(Concluded on page 24)

Business and Financial Conditions in the United States

Abstract prepared by F. W. Scholz of our New York office staff from a survey published by the Guaranty Trust Company of New York, April 25, 1921.

The Young Emergency Tariff Bill: This bill, imposing temporary duties on agricultural products, containing anti-dumping provisions and limiting currency depreciation is likely to shut out imports by creating a tariff wall and to reduce exports by preventing Europe from establishing necessary credits here through an exchange of goods, its only means of paying its indebtedness to us.

Abrogation of National Railway Agreement: The national agreement defining working conditions in the railroad shop crafts terminates July 1. The railroads will then be free to negotiate individually with their employees as to working conditions and wages. This may also result in a decrease of rates, as it is thought that the decreased earnings of railroads are attributable in part to excessive freight rates.

Recession in Steel Prices: Opinion is divided as to the effect which the decrease in prices of iron and steel products, ranging from \$1.50 to \$15.00 a ton, announced by the United States Steel Corporation, will have on business. While some industries will place orders on this new basis, others undoubtedly will wait, expecting further reductions.

Cross Currents in Business: Conflicting currents persist in business as a whole, even though some lines, like the automobile, tire, shoe, leather, textile industries, and some mail order houses dealing with the farming population, show improvement. In some cases the improvement is due to seasonal influences only and indicates no general improvement. Prices of some commodities are lower than in 1913, while others remain near the 1920 levels, showing the need of further adjustments.

Bank Clearings and Business: While monthly bank clearings have declined 25% since March, 1920, it appears that the actual decline in the volume of business is much smaller. Whereas some lines of industry showed improvements, as indicated by increased railway freight traffic, general conditions are far from good, 21% of all freight cars standing idle during the week ending with April 8. The bituminous and anthracite coal, the pig iron and steel industries seemingly are the worst affected.

Decline in Prices: Commodity prices continue their downward movement, declining 4.15% in March, being 30.6% above the figures for August 1, 1914, and 45.5% below the peak reached February 1, 1920. The fact that the decline in the last two months was less than the average decline in the last month of 1920, may indicate that we are perhaps approaching the low point to be reached in the present period of readjustment.

Readjustment Incomplete: There seem to be no hope of a general revival of activity until inventories have been liquidated and individual prices readjusted still further. The consumer still refrains from buying, expecting a further decline of prices and producers follow the same line of thought, causing a congestion of markets. It may even be possible that for a period of several years prices will slowly decline, accompanied, however, by a fair degree of general prosperity due to restored confidence.

Revision of Wages: In general, wages are being reduced without extreme opposition on the part of the workers, but the process of revision has not been completed.

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We left Juneau for Skagway, at the end of the great Lynn Canal and the head of navigation in this section. On our way we passed the masts of the Princess Sophia, which ran on a rock in a terrible gale in October, 1918, and was lost with every soul aboard, about 350, I believe, many of whom were soldiers returning from their tour of duty on the lower Yukon. Lynn Canal is, I should say, about 125 miles long, somewhere between three and five miles wide with mountains from five to seven thousand feet high rising abruptly on each side, all draped in glaciers, waterfalls and forests in superperfusion and confusion.

Skagway is as queer as its name, as it is built on a flat and if you arrive at low tide, you are reminded of the Bay of Fundy, as the tide runs about twenty-five feet and the piers, mostly fallen in, stalk across the flats like multiplied daddy-long-legs. The "city" now claims eight hundred people where once it boasted twenty thousand. It certainly gives one an eerie feeling to walk through streets where the great majority of the buildings are entirely empty and the broad, straight streets are deserted. The narrow gauge railroad, which runs along Broadway from Fifth Avenue, is the

cause of the decay of this little town which had been the great outfitting point for the Yukon. Of course we hopped the train and went up across the famous White Pass where, in '98 a multitude of men died. Unless you have traveled wide and visited somber portions of the earth's surface it would be difficult for you to get an idea of this pass. The little track along which the adventurers journeyed seemed in many places to be not over two feet wide and there were gulches along which I am perfectly certain I would have gone on my hands and knees.

The genial and talkative brakeman pointed out to me a broken bridge and a piece of a log hut which seemed to be some ten or fifteen thousand feet below the train! Those relics, he told me, were all that was left of White City, which at its period of greatest affluence, claimed six thousand people, all living under canvas.

We had our lunch at a railroad station at the head of Lake Bennett, along which the early voyagers in the spring used to sail on their sledges. This was truly the wild northwest for the stew was made of moose meat and we had bear and caribou.

We got off the train at a little station called Caribou or Carcross and while waiting for the boat, visited a black fox farm. I could not see that the odor of a black fox is any different from that of a red, but the fox was certainly prettier. We finally climbed on to a four-story affair that was the exact image of an old Mississippi boat and on this we spent the next twenty-four hours, wandering over a few hundred miles of long, narrow lakes, linked together like sausages. At the far end of our trip the captain butted the boat's nose into the bank, tied her to a tree and we all went to sleep on the roof of the world. The next morning, about five o'clock, I put a blue and frozen nose out of the cabin

(Concluded on page 24)

Business and Financial Conditions in the United States

Abstract prepared by F. W. Scholz of our New York office staff from a survey published by the Guaranty Trust Company of New York, April 25, 1921.

The Young Emergency Tariff Bill:

This bill, imposing temporary duties on agricultural products, containing anti-dumping provisions and limiting currency depreciation is likely to shut out imports by creating a tariff wall and to reduce exports by preventing Europe from establishing necessary credits here through an exchange of goods, its only means of paying its indebtedness to us.

Abrogation of National Railway Agreement: The national agreement defining working conditions in the railroad shop crafts terminates July 1. The railroads will then be free to negotiate individually with their employees as to working conditions and wages. This may also result in a decrease of rates, as it is thought that the decreased earnings of railways are attributable in part to excessive freight rates.

Recession in Steel Prices: Opinion is divided as to the effect which the decrease in prices of iron and steel products, ranging from \$1.50 to \$15.00 a ton, announced by the United States Steel Corporation, will have on business. While some industries will place orders on this new basis, others undoubtedly will wait, expecting further reductions.

Cross Currents in Business: Conflicting currents persist in business as a whole, even though some lines, like the automobile, tire, shoe, leather, textile industries, and some mail order houses dealing with the farming population, show improvement. In some cases the improvement is due to seasonal influences only and indicates no general improvement. Prices of some commodities are lower than in 1913, while others remain near the 1920 levels, showing the need of further adjustments.

Bank Clearings and Business: While monthly bank clearings have declined 25% since March, 1920, it appears that the actual decline in the volume of business is much smaller. Whereas some lines of industry showed improvements, as indicated by increased railway freight traffic, general conditions are far from good, 21% of all freight cars standing idle during the week ending with April 8. The bituminous and anthracite coal, the pig iron and steel industries seemingly are the worst affected.

Decline in Prices: Commodity prices continue their downward movement, declining 4.15% in March, being 30.6% above the figures for August 1, 1914, and 45.5% below the peak reached February 1, 1920. The fact that the decline in the last two months was less than the average decline in the last month of 1920, may indicate that we are perhaps approaching the low point to be reached in the present period of readjustment.

Readjustment Incomplete: There seem to be no hope of a general revival of activity until inventories have been liquidated and individual prices readjusted still further. The consumer still refrains from buying, expecting a further decline of prices and producers follow the same line of thought, causing a congestion of markets. It may even be possible that for a period of several years prices will slowly decline, accompanied, however, by a fair degree of general prosperity due to restored confidence.

Revision of Wages: In general, wages are being reduced without extreme opposition on the part of the workers, but the process of revision has not been completed.

(Concluded on page 23)

Factors in the Foreign Exchange Situation

Based on a course given in the Harvard Business School

BY LELAND L. FITZ

(Boston Office)

Foreign trade and foreign exchange are becoming of increasing interest to American business men, and therefore to accountants. This article is an attempt to set forth some of the new problems in foreign exchange that have resulted from the war.

It is desirable at the outset to review some obvious results of the war. Before the war, settlements between important commercial countries were made on a gold basis. Payments between countries were seldom made in gold, to be sure, but the exporter could always ship gold if it was cheaper than selling his bills of exchange at prevailing rates. For this reason sterling exchange rates fluctuated between narrow limits above and below parity, those limits being determined by the cost of shipping gold. If sterling went much above 4.88 it became cheaper to ship gold to England than to buy sterling bills; if it went much below 4.84 firms in England would pay their debts to firms in the United States by shipping gold to this country.

Since the war it has become impossible to make payments on a gold basis. Every important commercial country in the world, except the United States, is on an inconvertible paper standard, instead of the gold standard of pre-war days. This change has been caused among other things by the issue of huge amounts of paper money. These countries can no longer export gold to pay their debts.

A second factor to be considered in studying the reasons for depreciated exchanges is the huge increase in the national debts of all countries. In four or five years the countries at war in-

curred obligations that they would hardly have incurred in a century of peace. The proceeds of these loans went for materials of war, which were destroyed faster than they could be made. These countries, with diminished resources are now saddled with debts immeasurably larger than before the war. These debts can be paid in only one way—by exports. Until they are able annually to export more goods than they import, the national debts of the countries of Europe must continue to depress their exchange rates.

Uncertainties as to time and method of paying these debts tend to make exchange rates unstable. The future cannot be discounted with confidence. Speculation in exchange is added to the usual risks of foreign trade, and the business man trying to develop foreign markets for his goods must incur risks unknown before the war. Since exchange rates fluctuate between much wider limits, "hedging" to avoid loss in exchange is more expensive.

Wide fluctuations in exchange rates enable foreigners to enter our markets intermittently with goods they cannot regularly supply. Such spasmodic competition must have a harmful effect on our business.

Another factor explaining the depreciated exchanges is the lack of effective demand on the part of European countries for our products. Granting of short-term credits affords but temporary relief. As long as European countries are unable to pay for the goods we export to them, their exchanges, which measure in dollars the value of their promises to pay, must remain at low levels.

The L. R. B. & M. Journal

Published by Lybrand, Ross Bros. and Montgomery, for free distribution to members and employees of the firm.

The purpose of this journal is to communicate to every member of the staff and office plans and accomplishments of the firm; to provide a medium for the exchange of suggestions and ideas for improvement; to encourage and maintain a proper spirit of co-operation and interest and to help in the solution of common problems.

PARTNERS

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CHICAGO	Harris Trust Bldg.
BOSTON	261 Franklin Street
PITTSBURGH	Union Bank Bldg.
DETROIT	Book Building
WASHINGTON	Union Trust Bldg.
SEATTLE	L. C. Smith Bldg.

A Merchant Prince

We have read with much interest the accounts of the celebration in Philadelphia of the sixtieth anniversary of the business start of John Wanamaker. His department stores in Philadelphia and New York are such imposing mercantile enterprises that one can hardly conceive of them as having been started as small and modest undertakings. The November, 1920 issue of the L. R. B. & M. JOURNAL contained an account of the founding of the Philadelphia business. A historical account of the A. T. Stewart store—now the New York Wanamaker store, and almost a century, old appeared in the October, 1920 number of the JOURNAL.

Mr. Wanamaker's impress on the mercantile life and ideals of his time is well indicated by the following editorial in the *Public Ledger*:

John Wanamaker's long and honorable career in mercantile business in Philadelphia and in public affairs concerning the nation at large has set an example to every lad whose chief capital in his youth is a boundless determination.

It was a great outpouring that greeted him, of many of the most noted figures of the city and the nation, men who represent so potent a leadership of public opinion that their appearance in itself was the most cogent and eloquent of testimonials.

Mr. Wanamaker stands for a spirit of enterprise, of persistence, of acumen and executive intelligence that we like to believe characteristic of our commercial dealings. One of the most pleasant features of this striking celebration was the presence of so many of those whose lives, like his own, have been devoted to the up-building of great industries.

Sixty years in business, when it is business of such sound character and swelling volume, is indeed a record fit for the universal felicitation Mr. Wanamaker is receiving. All Philadelphia joins with the heartiest good will in the expression of the hope that the years to come will be as delightful as this crowning anniversary occasion.

Ignorance

An editorial in the *Philadelphia Public Ledger*.

Thomas A. Edison has a set of questions he puts to young men in his plant who are candidates for positions "higher up." He finds the college men "amazingly ignorant." But such questionnaires as he has issued are likely to expose an ignorance of current events and of established facts that is not confined to those who have had a so-called "liberal education."

Chesterton lately lectured here on the ignorance of the educated, and he was right in pointing out how little we know. In spite of all the ponderous books that have been written, with the dizzying excursions into the realm of higher mathematics and abstruse philosophic speculation, he who starts out in any direction and keeps on going in the given line soon reaches the frontiers of human wisdom and beyond that feels his way where one can help him, "voyaging through strange seas of thought alone."

But our ignorance of common fact and common things is inexcusable. Our minds, inert and torpid and viscous, decline the effort. As the legend over Edison's laboratory door says, "A man will resort to almost any expedient to avoid the real labor of thinking." It is hard work to think. The rewards are paid to those who do not shirk the effort. For the results of the blind blunderings of those who do not think and do not know are costly.

What Do You Know?

Mr. Edison's remarks bring sharply to mind the numerous occasions when "we thought we knew" and found that while we had read many volumes, very little remained with us in our hour of need. Is this condition not due to the fact that we did not think as we read but simply read to marvel at some new method, form or phrase rather than to absorb or master the substance? Now that our rush period is over we would suggest that those who have found themselves in the above-mentioned predicament, probably because they lack a thorough knowledge of the real fundamentals of business and accounting, could spend their time to great advantage in reading seriously some or all of the following volumes:

Seager's Principles of Economics,
Cleveland's Funds and Their Uses,

Conyngton's Corporate Organization and Management,
Kester's Accounting Theory and Practice, Vol. I and II,
Montgomery's Auditing Theory and Practice,
Dickinson's Accounting Practice and Procedure,
Nicholson and Rohrbach's Cost Accounting,
Huffcut's Elements of Business Law.

A thorough grasp of the various subjects treated in these works would in itself be a broad foundation for a liberal business education. Also it would broaden the accountant who might otherwise tend to become too narrow and technical in his thinking processes. P. E. B.

Au Revoir

In accordance with the policy decided on a year ago, the L. R. B. & M. JOURNAL will take a four month's vacation upon publication of this issue. The next number will, therefore, not appear until October. If the members of our organization have found half the interest and pleasure in reading the JOURNAL which the editor has enjoyed in preparing the past eight numbers for publication, he will feel well repaid.

It has been our aim to have the JOURNAL contain matter which would have an especial interest for the members of our organization, to transmit between the various offices such news as always interests members of a family geographically separated from each other, and in general to act as a bond between the staffs at the several offices so that we may all feel that we are part of a homogeneous whole.

In conclusion, the editor would express the wish that, should another hand take up the editorial pen in the autumn, his successor may be favored, as he has been, with a wealth of material for publication. The difficulty has not been to find sufficient matter for each issue of the JOURNAL but to find space for all the good material which has been available.

OFFICE NOTES

BOSTON

Latest reports on the result of the November examinations indicate that, in addition to Rogers and Koallick, whose certificates were referred to in the preceding issue, the following members of our office passed with qualifications:

D. P. Perry passed in all subjects, but certificate will be issued upon completion of the requisite period of experience.

Blake, Decker, Potter and Sargent passed in Auditing, Theory and Practical Accounting but will be required to submit to reexamination in Law. One of the above, unwitting of his luck, was heard to exclaim:

"Darn it all, I ought to have passed in Law, also!"

One of our staff, who received official advice that he would be admitted to reexamination in all subjects, replied:

"You are like the man found alive and unhurt after the railroad accident, when everyone else in his car was killed, who was beefing because his umbrella was broken."

*Overheard at the Telephone
Switchboard*

T. to H.—"Is ——— still enjoying his honeymoon?"

H. to T.—"I don't know, he is still on it."

Mr. Sweet addressed the Harvard Business School Alumni Association, May 5th, on "Lessons in Fiscal Management as Taught by the Business Experiences of the Past Twelve Months." His recommendations, as applied to the management of industrial concerns, were:

1. Pre-determine the production program at a conference with the heads of the pro-

duction, sales, purchases and finance departments.

2. Maintain a continuous record of purchase commitments and include a statement thereof in the set of monthly financial reports prepared for executive review.

3. Make formal appropriations for all projects of construction, new equipment, repairs and replacements, based on detailed estimates of costs, submitted in advance of authorization.

4. Control overhead expenses with the aid of a budget.

5. Apply the foregoing principles to the management of small as well as large concerns.

Mr. Smith spent a recent weekend at his home in Washington. A pleasant time was had by both.

With spirits undampened by a terrific downpour of rain, the wedding of Perry and Miss Dorothy Gifford took place in Salem on April 30th. Those of the staff who were not prevented by flood conditions attended. The ceremony was followed by a reception and dance and we understand that many of the Salem witches acted their witchiest up to about 2 a. m. Mr. and Mrs. Perry are now on their honeymoon in the White Mountains and, on their return, will settle down on an Oriental rug, procured as a wedding gift from the Boston staff.

The April record of time reports shows that twenty people had perfect scores, eleven were late one day, seven, two days and the time reports of twenty were overdue for periods ranging from three to thirteen days.

We of Boston intend to avoid over-emphasis of reporting work done, as against doing the work; nevertheless, we believe that the best and easiest time to report accurately the day's work is before it has become a matter of hazy history.

LETTERS FROM CLIENTS

"I want to acknowledge receipt of the various reports you have been making on the ——— Company, and particularly the one accompanying your letter of April 28th, showing the financial statements for the three periods ending March 26, 1921. I cannot refrain from expressing to you my hearty appreciation of the thoroughness of these reports, and to say that I consider them as fine a piece of accounting work as I have ever seen. I know too the difficulties that beset you when you undertook this work, and the fact that you have so speedily converted this chaos into order is extremely gratifying to me."

"I want to say that I am very glad to have made the acquaintance of your firm and that it has been a great satisfaction to find somebody who could render the kind of service which Mr. Kittredge has been giving at the ——— Company. I wish that the acquaintance had begun earlier."

CHICAGO

Latest bulletin from Puncheon. He has actually left but only to assume charge of the accounting at the New York agency of one of our most valued clients, The Nordyke & Marmon Company of Indianapolis. We are sorry to see him go but realize that everything is for the best as he will be located where Mr. Staub can keep an eye on him.

Effective on April 4th, a Monday evening forum was instituted in the firm offices in Chicago. With the exception of those engaged on out of town assignments, practically every member of the staff was present.

This was the culmination of a desire on the part of seniors and juniors alike to secure the benefits to be derived from a free discussion of pre-assigned accounting subjects with the idea of developing varying conditions

surrounding each topic with especial reference of course to those which are most likely to come up in actual practice.

The work is being carried on under the general supervision of Messrs. Henderson, Macdonald and Miller, partner, manager and assistant manager, respectively. All working details are being handled by a committee consisting of William Merkle, Chairman, J. J. Kilgallon, Frank Kalteux and Lloyd C. Larson, Secretary.

A class for the study of business law has been organized for Thursday evenings and is now well under way. This is being carried on under the direction of A. E. Ford and J. J. Kilgallon, both members of the Illinois bar as well as of our Chicago staff.

The local chapter of the National Association of Cost Accountants has secured Brigadier-General Charles G. Dawes as its principal speaker at the next regular meeting. Whatever Mr. Dawes' subject is he may be depended upon to treat it in a vigorous manner if he lives up to his reputation.

Miss Florence Kobitter is inquiring so anxiously as to conditions in the retail furniture market, as to lead those of an inquiring turn of mind to wonder how long it will be till we hear an announcement.

The Chicago office organization should now be unusually strong as we are at last united. For many months we had two suites separated by one room occupied by outsiders. The missing link has at last been captured and after the rebuilding operations are completed the Chicago office will be ready for visitors.

N. J. Lenhart and W. W. Shelden have left our midst for Washington, D. C., in connection with an important

claim. In view of the fact that Mr. Hayes is no longer in Washington, it will not be necessary for Sheldon to unpack his spats. Both men have been repeatedly warned to keep away from Baltimore and Georgetown.

Miss Florence Lagerlof has returned to the office after a long illness on the part of her mother. It is a pleasure to see her smiling face around again.

Mr. Henderson gave a variegated theater party recently to the girls in the office. They had dinner, ate candy, saw "Mary" from box seats and everything.

DETROIT

The old saying "when golf interferes with work give up work" does not hold good with the Dynamicians. Pressure of business during the past month stopped all golf, but all are looking forward to a game or two in the future.

Our bachelor members have obtained a separation without court order. The various reasons rumored are incorrect, the reason being their landlady's strong liking for their fresh eggs.

Our guest from the New York office, Mr. Halter, has departed from our midst after a short stay, leaving us once again without a link with Broadway.

The dinner of the Regional Meeting of the American Institute of Accountants was held at the Statler Hotel, Detroit, on April 8. L. R. B. & M. was well represented by Messrs. Fitz-Gerald, C. B. Taylor, Aughe, Buchanan, H. R. K. Taylor, Scott and by Mr. Halter of the New York office. We should like to know if any furniture and fixtures will require to be written off with all those gentlemen of the young profession there.

The N. A. C. A. Detroit Chapter held its monthly meeting on the 18th ultimo at the Board of Commerce, to listen to a paper on "Depreciation" by Mr. Ross of Messrs. Marwick, Mitchell & Company, Detroit. The meeting was well attended and enjoyed, with the exception of the half hour holding of the floor by a stranger with a Greenwich Village appearance and a Bowery accent. It has since been learned that he is the uninvited guest to all cost and engineering meetings in the vicinity.

Our Mr. Scott had thought very seriously of combatting the nine year old chess wonder, but is giving it second thought (which is best) since reading of the fate of one so illustrious as Mr. Sweet.

Returning to the subject of golf—the ruling passion—the Dynamic team of four would suggest that a competition be arranged in the future for firm title in (1) singles, (2) four-somes and (3) team.

"Detroit is more of a maze than Hampton Court's famous one" says Mr. Buchanan in rich Anglo-Scotch-American brogue. It appears that he was quarter of an hour's walk from home and beauty and took two hours to reach it. He says that he had not been visiting Canada either.

Mr. C. B. Taylor is fully occupied evenings now since his purchase of a Hudson super-six, between learning how to drive in the City of Autos and reading the dire penalties of the law to be enacted should he contravene any whilst at the wheel.

We should like to hear from any member of the organization who could suggest a means of providing Mr. Fitz-Gerald with sufficient supply of "gas" to carry him farther than the nearest supply station. He has the

happy knack of going bone dry when the hose is put in the tank. Only once has this luck failed and then with a full party on board returning from the Aviation Country Club when he had to walk two miles for a supply. What will happen in the future only time can tell?

The following confirmation letter, sent out by a local firm of accountants (?) was received by a client who kindly provided a copy to serve as a sample of how "confirms" should not be written. The names of the parties concerned are omitted but the copy of the letter remains on file.

Gentlemen:

We are auditing the accounts of — company, Detroit, Mich., and installing a system of accounts.

In this connection it is necessary that we have a detailed statement of the account of each and every payee of the company for the period from December 31, 1920 to March 31, 1921.

If your ledger showed a balance due you by this company on December 31 last, you may begin your statement with such balance, but it is *absolutely necessary* that you show in detail each item (*debit and credit*) which goes to make up the balance. It will also be necessary to show each and every item, debit and credit, from that date to March 31, 1921.

Please give this matter your *immediate* attention. Also kindly let this first request be sufficient.

Yours sincerely,
(Signed)

Approved:

NOTE: If your letter indicates that *no balance* was due you on December 31 last, and no transactions have occurred since that time—please write us stating such is the case.

NEW YORK

Colonel Montgomery was elected First Vice-President of the New York State Society of Certified Public Accountants at the meeting held Monday, May 9th. Mr. H. B. Cook, of Haskins and Sells, was elected President.

The officers were selected with the thought that they would be in office

when the Society celebrates its twenty-fifth anniversary next January.

Mr. Bacas served on the Nominating Committee.

Archer qualified for membership in the "Smile Club." The JOURNAL of 1945 will probably tell of Archer, Junior joining the staff of L. R. B. & M. and of his father retiring to live on his son's earnings.

Mead has transferred his allegiance to the American Can Company. He carries with him the good wishes of all his former fellow workers.

At the annual stockholders' meeting of the American Smelting & Refining Company on April 6, 1921, Colonel Montgomery acted as one of the tellers. A considerable force of men from our New York staff assisted the tellers. Because of the contest for proxies between friends and opponents of the present administration of the Company the appointment of tellers whose integrity was, like Caesar's wife, above suspicion and who would be satisfactory to both sides was of unusual importance on this accosion.

After the contest was over, the Company wrote Colonel Montgomery that, "We sincerely appreciate your very efficient work in connection with the recent election . . ."

On April 11th, Mr. Staub spoke before the New York State Society of Certified Public Accountants on the subject of the Sales Tax. Mr. Staub spoke in opposition to such a tax. The arguments in favor of such a tax were presented by Mr. B. S. Orcutt, a member of the editorial staff of the *Wall Street Journal*.

Mr. Lybrand is expected back from his European trip during the early days of June. We expect some interesting reports from him for publication in the JOURNAL.

Much interest has been displayed by the members of the New York staff in the Edison questionnaires which have been appearing in the New York papers during the past week. One sturdy son of Britain surprised us by saying in answer to the ques-

for positions on the staff will be confronted with similar lists of questions to trip their unwary feet.

The reduction in the rate of dividend paid by the Pennsylvania Railroad Company is inexplicable to this



Beautiful Spain, as Seen by Mr. Lybrand

tion, "where is St. Helena?" that it was located near Corsica.

We noticed the head of the personnel department clipping the questions from the newspapers. Probably next fall, when the recollection of these questionnaires has died out, applicants

office. Judging from the amount of traveling done between this office and Washington, D. C., especially by Colonel Montgomery and Mr. Staub, we should have expected an increase rather than a reduction in the "Pennsy's" dividend rate.

LETTER FROM CLIENT

"I take this opportunity to express our satisfaction with the work which was done by Mr. Bry and of the courteous and attentive manner in which he handled the office force, commending himself to everyone throughout the entire time of his service."

The following is the 1921 line-up of L. R. B. & M. baseball stars, who issue their challenge to any baseball team of auditors in the country:

1st base	Werber
2nd base	Dakin
3rd base	Norris
Shortstop	Bischoff
Left field	Scholz
Right field	Brown
Center field	Schramm
Pitchers	Mercer, Bry, Schlichtmann
Catchers	Byington, Tomlins
Umpires	Bacas and Worfolk
Cheer leaders	Hardie and Oliver
Mascot	Bobbie Buchanan, the "Pocket Hercules"

Bat carriers Weiss, and the rest of the staff.

Mr. Bacas will umpire on strikes and balls and Mr. Worfolk will umpire on bases. In case something serious should happen to either one, the other will finish the game in both positions, if possible.

The prospects of this year's team winning the pennant seem to be very good. The infield is one of the most flashy and brilliant combinations in the National pastime today, and in fact is considered far superior to the former million dollar infield of the old "Starfish Giants." It is composed of such super-stars as "Eaglebeak" Werber, formerly of the Starfish Giants; "Bambino" Dakin, the Babe Ruth of this league; Cupie Norris, who acts in the same capacity in the far corner as a stopper does to his ink. Slim Bischoff, who was obtained from the "Catfish Owls" for \$500,000 and the delivery of six players, will rove in the territory between second and third

base. The outfield which is composed of "Go get 'em" Scholz, "Chic" Brown, and "Curly" Schramm of the green suit, is a very formidable trio and should produce the goods. As for batting ability they are expected to average .400. For covering ground we think there are few players who can compete with the above as to agility, speed and fast thinking.

The team as a whole are all good men at the bat, and the old "murderers row" consisting of Schramm, Bischoff, Mercer, Dakin and Werber will line up in the order named.

The schedule of games to be played has not as yet been issued but many of the players have expressed the wish to commence the season by playing the aggregation from the coast, known as the "Kink Bean Stars." The home team stars are anxious for this series and will meet them half way.

PHILADELPHIA

A number of illegible picture postals have been received in this office from the interior of Europe, principally from Italy. The various interpretations made from time to time were so unsatisfactory that a committee headed by Miss Harrington and a number of unassigned juniors took hold of the question and gave it much study from all possible angles. Although Miss Harrington has had years of experience in deciphering copy that would originally be classified as illegible and has been unusually successful in translating Pennsylvania-German rough-drafts, yet, the final verdict was to hazard the theory that the postals are a direct result of the limitations of the Eighteenth Amendment to the three mile limit.

Nevertheless, the senior room and most of the partners are satisfied that Bergdoll and Big Bill Haywood have something to do with this propaganda. The report department favors the Emma Goldman theory.

Van—Well, they sure caught a sockdologer of an Australian gray rat up at the Company store last week. It was fifty years old!

Group of Unassigned Juniors—What do you mean Australian gray rat? And how could they tell its age?

Van—Well, you see it had a date in its mouth!

The talk in this office and the various signs indicate that the "back to nature" season is with us again. The golfing members are hardy and are with us at all seasons, but even they show increased activity. Several new members have been added to those who discourse on spark plugs, carburetors and the like and on Saturday mornings the office has the appearance of a sporting goods store, with golf clubs, bats, tennis racquets, cameras, canoe paddles, etc. One of the more staid and serious of the staff was recently observed departing for his week end frolic with a scythe. One of the members of the file room announced recently that she was to take her first riding lesson, but as she moved with her accustomed grace the following day, we suspect that she rode the "hobbies" at Willow Grove Park. Monday mornings we have coats of week end tan, talk of the tenth inning, a bad lie (not the same as the big fish that got away), gas mileage, and reports of how the cold spring has retarded the garden. All we need is an aviator.

PITTSBURGH

Fifteen tax propositions were submitted to the members of the Pittsburgh Chamber of Commerce for referendum vote. The propositions submitted and the results of the balloting on each proposition were as follows:

	Votes in favor	Votes opposed
I The excess-profit tax should be repealed.	1718	44

II Revenues now derived from the excess-profits tax should be obtained mainly from taxes on incomes	575½	1004½
III There should also be excise taxes upon some articles of wide use but not of first necessity.	1217½	504½
IV Should a sales tax be levied instead of the taxes mentioned in proposals II and III above.	706½	857½
V Should a sales tax be levied in addition to such taxes as are mentioned in propositions II and III above.	767½	890½
VI Members voting in favor of question IV or question V above are asked to indicate below the type of sales tax they advocate; (vote for one only).		
(a) A General Turn-over Tax.	512	
(b) A Limited Turn-over Tax.	182	
(c) A Retail Sales Tax.	539	
VII There should be a moderate and graduated undistributed-earnings tax on corporations.	640½	1063½
VIII Each individual stockholder of a corporation should pay his own normal tax.	693½	975½
IX Income from any new issues of securities which may lawfully be made subject to federal tax should be taxable.	1386	275
X American citizens resident abroad should be exempt from the American tax, upon income derived abroad and not remitted to the United States.	1248½	460½
XI Profits arising from sale of capital assets should be allocated over the period in which earned and taxed at the rates for the rates for the several years in the period.	1406½	243½
XII An exchange of property of a like or similar		

	nature should be considered merely as a replacement.	1543½	146½
XIII	Net losses and inventory losses in any taxable year should cause re-determination of taxes on income of the preceding year.	1351	323
XIV	Ascertainment by the government of any tax based on income should precede payment.	1211	483
XV	Administration of income taxation should be decentralized.	1321½	390½

It is interesting to note that in spite of the strong propaganda for a general sales tax, a majority of those voting were opposed to it. The very large majority opposed to the further issue of tax-exempt securities is also of interest.

Dietrich is wearing that never to be mistaken smile—It's a boy.

A TALL JOB

Church—"I see by the paper that they are going to put up one of the biggest skyscrapers in the country in Pittsburgh."

Gotham—"Well, I really don't know of any place where the sky needs scraping more than in Pittsburgh."—*Yonkers Statesman*.

Bearish on Auditors

The following letter, which appeared in the *Wall Street Journal*, is stated to have been written by a small mill operator in Tennessee. It conveys quite clearly the writer's opinion of auditors and is stated by the *Journal* to have been printed exactly as written:

Attention Mr.———

Your letter of to day to hand the amount in question \$233 seems to be the express we paid on this shipment our records are not clear on why these come by express we take it they were delayed any way if you insist we are due you this amount write us and will emedietely send you check

We do not specially like all this talk you are giving out about your auditor we were inhopes with the out goinging administration we would get a let up on auditors we have been bothered with auditors, fellows checking up, lawyers who had no practice school teachers preachers food administration counterfits short haired women, long haired men until we left the democratic Party, to stay gone until they could find some one who could let the comercial men run its own affairs,
Now Mr.———do not mis Enterpret this letter we are not contending about the amount involved look up your records and if we owe this you just tell us realy we do not know whether we do or not but to h——l with auditors.

If you are a fisherman would be glad to have you drop in on us some time then we will ride a white mule to the creek smoke a good cigar made out of this robertson county tobacco and facing the East defy the man that questions our libertys.

Yours very respect———

SEATTLE

At a meeting held on April 9, 1921, in Seattle, steps were taken toward the organization of a Western Washington Chapter of the National Association of Cost Accountants. Mr. Burton, manager of our Seattle office, was elected chairman of the temporary organization.

We welcome to our organization Miss McClellan, who will preside over the keys and records of this office.

WASHINGTON

A week ago we had a circus parade. However, this is nothing novel for Washingtonians as there is a continuous two-ring circus performance up on "the Hill."

Mr. Haynes now drives proudly past the White House in his new Ford sedan. The thoroughness of the legal training given the members of the bar in the District of Columbia is evidenced by the fact that when Mr. Haynes went up to the proper authorities to show cause why a driver's license should be issued to him, he

hadn't yet read the motor vehicle laws of the District but successfully passed the examination just the same.

Notwithstanding the above, some bold, bad person managed to get away with a spare tire in broad daylight while "Henry" was standing in front of his new home and on the first day, too.

Each member of Congress is now busy explaining to his constituents that he never was for a general sales tax anyway. The former slogan of "the full dinner pail" will now perhaps be changed to "no tax on the dinner pail."

We have recently talked with a Placement Officer of the Federal Board for Vocational Education, which Board is training ex-service men in accounting, law, etc. It is the purpose of this Board to place these men with various accounting and law firms with a view to giving them practical experience, at the same time hoping that they will prove themselves of sufficient service that the firms will retain them at the close of their training.

While they attend school the Government pays them \$100 per month and also pays for their tuition. It is purely optional with a firm—taking on such men—as to whether it desires to give them anything. However, the Government requests that should the men prove capable the firm keep them on or see that they are placed in a good position.

This seems to be such a splendid work and—at the same time would probably be the means of securing some good men—that we should like to assist the Board. If any of our offices, therefore, are interested in hearing more about this particular branch of the Government's work we shall be very glad to go into the matter in detail and state what has already been done.

Business and Financial Conditions in the United States

(Continued from page 11)

Improvement in Banking Position:

Both gold and total reserves of the Federal Reserve Banks as a group have increased without interruption. The ratio of total reserves to deposits and Federal Reserve notes combined was 53.7% in April 15, 1921 as compared with 40.9% on April 16, 1920. As a result of improved conditions the Federal Reserve Bank of Boston reduced its discount rate on commercial, industrial and all other unsecured paper from 7% to 6%. The rate on notes secured by Treasury certificates was raised from 5½% to 6%.

Gold Imports: While the monthly gold imports have exceeded the exports, there is no likelihood that the accumulation of gold will lead to any inflation. Throughout the present period of increasing gold supply, prices have continued their downward trend and it may be that this supply will help in restoring a credit position to European countries, resulting in greater business activity.

Bond Market: Political conditions in Europe and the uncertainty regarding impending changes at home in taxation and tariff schedules have affected the securities market, resulting in a decreased volume of financing in March.

Foreign Trade: March exports (\$384,000,000) were the smallest for any month since the beginning of the World War, while imports (\$252,000,000) made the largest monthly total for any month in 1921.

Reaction of Conditions Abroad: Economic conditions abroad affect business here as shown by the decline in exports. Until conditions in Europe are stabilized, business here will be affected unfavorably, and improvement can only be expected in our home industry with a corresponding improvement in Europe.

What Things Cost

Some idea of the extent to which prices have fallen is conveyed by the following comparison of quotations of selected commodities on May 11, 1921, with the highest prices quoted for the same articles in 1920. These quotations appeared in the *New York Tribune* of May 12, 1921 and are stated to be cash prices in primary markets. A further interesting comparison is with the lowest price quoted for each article since January 1, 1914. These last prices have been taken from several different sources.

	1921 May 11	1920 High	Lowest price since January 1, 1914	
FOODS— COMMODITY AND UNIT.				
Wheat (No. 2 hard) bu.....	\$1.69	\$2.60	\$.86¼	June 1914
Corn (No. 2 yellow) bu.....	.81½	2.31¼	.67⅝	Jan. 1914
Oats (No. 2 white) bu.....	.51	1.50	.43½	Apr. 1914
Flour (Minn. pat.) bbl.....	8.50@ 9.00	16.25	4.15	June 1914
Beef (family) bbl.....	21.00@ 23.00	28.00	17.25	Jan. 1916
Pork (mess) bbl.....	25.00@ 26.00	28.00	15.50	Sept. 1915
Sugar (granulated) lb.....	.063	.23	.03¼	Apr. 1914
Coffee (No. 7 Rio) lb.....	.06	.16¾	.06⅞	Sept. 1915
Butter (creamery, first) lb....	.31@ .34½	.77	.22	Apr. 1914
Eggs (fresh, 1st) doz.....	28½@ .29	.89	.17	July 1915
TEXTILES—				
Cotton (middling upland) lb...	.1163	.43¾	.07	Dec. 1914
Print cloths (33½—64x60)....	.06¾	.26		
Silk, raw (No. 1 Sin.) lb.....	5.70	17.45	3.18	Nov. 1914
Wool (fine Montana scoured) lb	.95	2.00	.44	Feb. 1914
METALS—				
Iron (2x Philadelphia) ton....	26.75	53.51	14.37½	Mar. 1915
Steel billets (Pittsburgh) ton..	39.00	65.00	19.00	June 1914
Lead (spot) lb.....	.053	.09½	.03½	Nov. 1914
Copper (spot) lb.....	.12¾	.19½	.12½	Aug. 1914
Tin (straits) lb.....	.32½	.65¼	.30	Jan. 1915
RUBBER AND HIDES—				
Rubber (ribbed-smoked sheets) lb	.16½	.54½	.51¼	Feb. 1918
Hides (calfskins, city) 9 to 12 lbs	2.70@ 2.75	10.50	2.50	Apr. 1915

To the Roof of the World

(Continued from page 10)

to see the birthplace of the Taku Glacier, which we had visited on the Princess Alice ninety miles away.

The return trip was unlike other return trips where you go over the same territory, because we saw it from the other side and it had all the attractions of being entirely novel. We also had a couple of days of the unpleasant specialty of this coast, thick white fog. We landed at Vancouver and returned by the Canadian Pacific, stopping at Lake Louise and Banff. Lake Louise

is unquestionably a perfect gem, in fact, so perfect as to seem almost artificial, but after what we had seen, the Canadian Rockies left us cold.

One of the most agreeable things about the trip was that the clients seemed pleased not only with the results but with the comparatively moderate expense slip.

Americans, to my mind, should see the northwest and Alaska before going abroad. It will subdue their ecstasies over Norway and Switzerland and give them that quiet, pleasing background which comes from a sense of superiority.

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